

**2017 State of the State Address
“Real and Lasting Change”
As Prepared for Delivery
Wednesday, February 1, 2017
Maryland State House, Annapolis**

Mr. Speaker, Mr. President, members of the General Assembly, distinguished guests, and my fellow Marylanders:

It is an honor to appear before this 437th Session of the General Assembly to give a report on the state of our great state.

It was on a snowy day just two years ago when I stood before you on this very spot in this beautiful and historic chamber to take the oath of office as Maryland's new governor. I was truly humbled and deeply grateful for the opportunity to serve my fellow Marylanders. I was full of hope – hope for our state, hope for our people, and hope for our future.

But, I was also fully aware that our state was facing some difficult challenges. It was an opportunity for a new beginning and a new direction.

We pledged to put Maryland on a new path, with a revitalized spirit of bipartisan cooperation where we would seek common sense solutions to our problems, regardless of which side of the aisle those ideas came from.

The work began immediately, on day one, to set a new course of economic growth, security, and prosperity for Maryland.

And for two years now, we have been doing exactly what we said we would do.

Working together, we have made tremendous progress, and I am proud to report that the state of our state is strong – stronger today than it was a year ago, and stronger than it has been in many, many years.

For two years now, working together with this General Assembly, we have chosen action over apathy.

We have sought out common sense and common ground, rather than disparity and divisiveness. Working together, we have not been defined by party or ideology, but by our common purpose and our united obligation to solve problems, to make progress, and to bring real and lasting change to Maryland.

After two years of progress, Marylanders are heartened that the unifying promise of bipartisan change is being forged in reality.

We have already accomplished a great deal. But together, we can – and we must – do more.

Beginning with our unwavering commitment to education:

This is our third budget in a row with record funding for education. We invested another \$6.4 billion to fully fund the legislative formulas. Every single penny that every single jurisdiction anticipated from the state for education is fully funded at one hundred percent. In addition, we are adding another \$334 million dollars for school construction.

And we're investing record amounts for higher education with a budget that includes \$1.35 billion for the university system; more than \$256 million for Maryland's community colleges; and to continue our

commitment to make college more affordable, we are providing an additional \$17.5 million specifically for tuition relief, so that 14 Maryland universities and colleges can now cap tuition growth at two percent, rather than the five percent they were proposing.

Together, we are investing in our schools and in our children. Fully two-thirds of our entire capital budget goes toward education.

We have already accomplished a great deal. But together, we can – and we must – do more.

Every single child in Maryland deserves access to a great education, regardless of what neighborhood they happen to grow up in. Sadly, we still have students who are trapped in persistently failing schools.

Last year, Democratic leaders in this assembly proposed legislation that provided \$5 million, giving a limited number of deserving kids the chance to earn a scholarship to attend a private school.

Our budget adds \$2 million more to this initiative so that we can give even more children that opportunity.

Let's also expand choices for Maryland families by passing the Public Charter School Act of 2017.

Last year, we brought the P-TECH schools initiative to Maryland, which is giving children a choice, along with real hope and real opportunities.

So this year, we plan to double the number of P-TECH schools in Maryland.

And we are asking for your help to tackle the growing problem of college debt by passing the Student Debt Relief Act, which will allow Marylanders to deduct one hundred percent of the interest paid on their student loans from their state income tax return.

From day one, our administration has been focused on making Maryland more competitive, growing our private sector, putting more Marylanders to work, and restoring our state economy.

I'm proud to report to you that Maryland has now moved into the top ten states in the nation for overall economic performance.

We have added 73,000 new jobs, and our unemployment rate has dropped to 4.2 percent.

We created more new manufacturing jobs than all the other states in the mid-Atlantic region added together!

We now rank number eight in the nation in the rate of manufacturing growth.

Maryland is ranked as the fifth most innovative state in America.

We rank third in the country in entrepreneurial business growth.

Our state has the second lowest percentage of people living below the poverty rate in the nation, and Maryland has the highest median household income in the United States of America.

We are experiencing tremendous job growth, business growth, and an exciting economic resurgence in Maryland.

Businesses are returning to – and expanding in – our state once again. Maryland truly is Open for Business.

We have already accomplished a great deal. But together, we can – and we must – do more.

The reality is, not all Marylanders and not every jurisdiction in our state are seeing the same level of economic success.

We still have Marylanders who are struggling in parts of our state like Baltimore City, Western Maryland, and the Lower Eastern Shore, where, unfortunately, unemployment is still higher than it is in the rest of the state.

Which is why we must come together to enact the Maryland Jobs Initiative, an innovative, bipartisan proposal, which will provide incentives for the creation of thousands of jobs in the places that need them the most.

And let's work together to provide relief for Maryland's retirees. We are losing many of our best and brightest citizens to other states simply because they can't afford to stay in Maryland.

Once our national economy is fully recovered and we dig out of the state's debt situation, I want to reach the point where we are able to eliminate all taxes on retirement income, just as other states have done.

But, let's get started moving toward that goal right now by passing the Hometown Heroes Act to eliminate income taxes on the pensions of those who have put their lives on the line for us: our retired military, police, fire, and first responders.

And let's work together to protect the integrity of our state pension system, which has an estimated \$20 billion unfunded liability by passing the State Retirement Choice Act for the 21st Century Workforce, which contains common sense reforms to pay down our unfunded pension liability and to create a sustainable retirement system for the future.

Three years ago, when not many people were paying any attention, we began to shine a spotlight on the rapidly growing heroin and opioid crisis.

Just under the surface of every community across our state and across the nation, heroin and opioid abuse has been taking lives and tearing apart families and communities.

One of my first acts as governor was to create the Heroin and Opioid Emergency Task Force, and I want to thank Lt. Governor Rutherford for his continued leadership on this issue.

For two years now, together, we have all been committed to facing this crisis head-on. Together, we made the investments to implement the recommendations of the Emergency Task Force.

We have gone after it from every angle including education, treatment, interdiction, and law enforcement.

We have made strides, but this crisis continues to grow out of control all across our country.

We can – and we must – do more to save the lives of Marylanders.

We need your help to enact the multi-pronged Heroin Prevention, Treatment, and Enforcement Initiative and to pass the Prescriber Limits Act of 2017 and the Distribution of Opioids Resulting in Death Act.

We must commit to doing whatever it takes to address this crisis, and no state can do it alone.

Nearly all of my fellow governors of both parties have joined with me in asking that the federal government finally get engaged in this national crisis.

This rapidly evolving threat is going to take federal, state, and community partners working together to find real solutions and to help save lives.

Last year, we worked across the aisle to enact the Justice Reinvestment Act, which is the most important criminal justice reform in a generation.

We worked to pass Noah's Law, named after Montgomery County police officer – and a true Maryland hero – Noah Leotta.

We have already accomplished a great deal. But together, we can – and we must – do more.

This year, we plan to work with you to enact our Justice for Victims Initiative to improve services for the victims of crimes and to reduce the number of future victims of crime.

Together, we need to enact the Repeat Sexual Predator Prevention Act of 2017, the Protecting Victims of Sex Trafficking Act, and the Repeat Drunk Driving Offenders Act.

All of this legislation will help make Maryland safer and will protect the lives of our most vulnerable citizens.

For the last few years, there has been a great deal of discussion and debate in these chambers around the issue of sick leave in Maryland. Employees without this benefit are sometimes faced with hard choices about their health and welfare, like whether to risk showing up to work sick or not receiving a paycheck.

Let's strike a compromise, considering the needs of Maryland employees while not hurting our small business job creators.

Let's work together to pass the Common Sense Paid Sick Leave Act of 2017, which requires larger companies to provide paid sick leave and encourages small businesses to offer paid sick leave by giving them tax incentives to offset the costs of providing those additional benefits.

In this way, we can provide even more employees the benefit without hurting the small business owners and without causing the loss of jobs.

Together, we have been leading with bold initiatives to safeguard our environment.

In just our first few weeks in office, we successfully negotiated a compromise phosphorus management solution, which was a huge step toward protecting the Chesapeake Bay.

We invested the most even in the Chesapeake and Atlantic Coastal Bays Trust Fund, and again this year, we are fully funding bay restoration efforts.

We restored \$60 million previously drained from Program Open Space.

We pushed for landmark legislation that cemented our state's position as a national leader in combating greenhouse gas emissions.

We enacted legislation expanding the Climate Change Commission.

And, after years of the problem being ignored, we are finally seeking innovative and cost-effective solutions to reduce the sediment, nitrogen, and phosphorus pollution which flows down the Susquehanna River over the Conowingo Dam and which is a serious threat to the Chesapeake Bay.

Just a few months ago on its latest annual report card, the Chesapeake Bay received its highest score for water quality in nearly a quarter century. The amount of nitrogen, phosphorus, and sediment in the bay has dropped dramatically compared to recent years.

We have been aggressive, proactive, and innovative in our efforts to safeguard Maryland's environment.

We have made a great deal of progress. But together, we can – and we must – do more.

This year, let's make targeted, common sense investments to support our green jobs initiatives and to attract private investment for clean energy projects in our state.

We need your help to pass our Clean Cars Act of 2017, which will increase our investment in both electric vehicles and in the charging station tax credit programs. And help us pass the Clean Water Commerce Act to enable the purchase of nutrient reduction credits, a cost-effective, market-based solution that will allow the state to help meet the Chesapeake Bay Watershed Improvement Plan goals.

Two years ago, Maryland had crumbling roads and bridges and some of the worst traffic congestion in the nation.

Now, thanks to our unprecedented investments, we are finally moving forward on the top priority transportation projects in every single jurisdiction all across the state. We are fixing all 69 structurally deficient bridges that we inherited.

We currently have 1,073 transportation projects under construction all across the state. It is historic and unprecedented.

This much-needed progress is strongly supported by an overwhelming majority of Marylanders.

But, we risk eliminating much of that progress and 66 of the 73 highest priority projects in nearly every jurisdiction.

So, I ask again today, on behalf of the people of Maryland: please do not stand in the way of these critical transportation projects.

Let's repeal this misguided, poorly drafted, and fatally flawed Road Kill Bill.

It is an honor and a privilege to serve in this historic State House, where many great men and women have served and where many great things have been accomplished.

But sadly, that rich history and proud legacy may be tarnished by those who have failed to uphold the solemn oaths of office that they took to maintain the public trust.

The immense responsibility we have as public officials is to always conduct ourselves in a manner that is deserving of the trust that the citizens of Maryland have put in us.

We cannot allow the unethical behavior of the few to tarnish the good will of the many.

Together, we have a shared obligation to restore the public trust by enacting the Public Integrity Act of 2017, which will place additional restrictions on both the executive and legislative branches of state government.

Help us finally bring the transparency that Marylanders want and deserve by passing the Legislative Transparency Act, which provides for all sessions of the General Assembly to be livestreamed to the public.

And let's remove the last vestiges of an archaic political patronage system, which enabled criminal acts to take place.

Let's finally clean up this mess by enacting the Liquor Board Reform Act.

And isn't it time that we finally pass the Redistricting Reform Act so we can remove the politics and the politicians from drawing their own district lines?

Free and fair elections are perhaps the most basic promise that those in power must provide to citizens.

The people of Maryland desperately want – and certainly deserve – balance, fairness, and bipartisanship in our state. An overwhelming majority of all Marylanders all parties and from all walks of life strongly support this legislation.

But last year, this critically important reform legislation was hidden in a drawer.

This year, the people deserve to have it come to the floor of both the House and the Senate for an up or down vote.

Too often, we see wedge politics and petty rhetoric used to belittle our adversaries and inflame partisan divisions.

In my inaugural address two years ago, I said:

"To those who would divide us or drive us to the extremes of either political party, I remind you that Maryland has always been called 'a state of middle temperament.'"

I said that *"the politics that have divided our nation need not divide our state."*

I asked all Marylanders *"to seek that middle ground where we could all stand together."*

President Truman once said:

"Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better."

No problem faces us that hard work, honesty, and courage cannot solve if we work together.

Ladies and gentlemen, I want to leave you with just one personal thought:

My battle with cancer taught me some important lessons. I've learned that our time on this earth is much too short, so we had better make the most of it.

I believe that every single day, each and every one of us is given the opportunity to do something great.

Over the past two years, together, we have done many great things.

And now, we have the incredible opportunity to accomplish even more.

Thank you. God bless you. And may God bless the great State of Maryland.

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